

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-13
SAJ-01 ACDA-07 OMB-01 TRSE-00 /080 W
-----091631Z 110691 /53

R 091430Z FEB 77
FM USMISSION USBERLIN
TO SECSTATE WASHDC 4007
AMEMBASSY BONN
INFO AMEMBASSY BERLIN UNN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION NATO

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E O 11652: NA
TAGS: PGOV, PINT, WB
SUBJ: SCHUETZ STILL IN HOT WATER OVER KPM

REFS: USBERLIN 0400

1. SUMMARY: SCHUETZ' EFFORTS IN FEB 3 DEBATE TO REHABILI-
TATE FORMER SENAT OFFICIAL HAVE STIRRED UP KPM AFFAIR.
CDU MOTION OF CENSURE AGAINST SCHUETZ HAS CHANCE OF
PASSING BECAUSE OF SPD DISCONTENT. END SUMMARY.

2. AS NOTED REFTEL, GOV MAYOR SCHUETZ DURING DEBATE FEB 3
APOLOGIZED TO FORMER SENATOR LIEHR FOR EFFECT KPM AFFAIR
HAS HAD ON LIEHR. SCHUETZ ALSO APOLOGIZED TO FORMER
SENAT DIRECTOR SCHWAEHL, WHO WAS FORCED INTO EARLY RETIRE-
MENT YEAR AGO FOR HAVING PROVIDED LIEHR WITH FALSE INFORMA-
TION ON KPM PERSONNEL MATTERS WHICH LIEHR THEN INNOCENTLY
PASSED ON TO HOUSE OF REPRESENTATIVE AS TRUTH. THIS LED
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TO LIEHR'S RESIGNATION ONE YEAR AGO.

3. DURING KPM DEBATE ON FEBRUARY 3, SCHUETZ NOTED IN
PASSING THAT INVESTIGATIVE COMMITTEE HAD NOT FOUND
ANY EVIDENCE OF WRONG-DOING ON PART OF SCHWAEHL. IN
SEPARATE CONVERSATIONS WITH MISOFF, CHIEF OF CHANCELLERY
HERZ (WHO HIMSELF WAS DEEPLY INVOLVED IN KPM PERSONNEL

PROBLEMS) AND SENATOR RISTOCK HAVE EMPHASIZED THAT SCHUETZ' REFERENCE TO SCHWAEBL DURING FEBRUARY 3 DEBATE WAS A "HUMAN THING TO DO." UNFORTUNATELY FOR SCHUETZ, THIS BRIEF COMMENT DURING DEBATE HAS CAUSED HIM CONSIDERABLE DIFFICULTIES WITH FDP COALITION PARTNER AND WITHIN SPD CAUCUS.

4. FDP HOUSE OF REPS CAUCUS MET ON FEBRUARY 7 AND ANGRILY DEMANDED ASSURANCES THAT SCHWAEBL WOULD NEVER AGAIN BE EMPLOYED IN PUBLIC SERVICE. OTHERWISE, FDP WOULD INTRODUCE MOTION IN HOUSE OF REPS MEETING ON FEBRUARY 10 TO "DISASSOCIATE THE HOUSE" FROM SCHUETZ' COMMENT ON SCHWAEBL. SPD CAUCUS MET AFTERNOON OF FEBRUARY 8 AND SCHUETZ ASSURED GROUP THAT THERE WAS NO INTENTION OF EMPLOYING SCHWAEBL AGAIN IN ANY PUBLIC POSITION. THIS REPORTEDLY SATISFIED FDP. UNFORTUNATELY, IT WAS ALSO REVEALED DURING SPD CAUCUS MEETING THAT WHILE SCHWAEBL WAS SENAT DIRECTOR (FIRST IN DEPARTMENT OF FINANCE AND THEN IN DEPARTMENT OF TRANSPORTATION AND PUBLIC ENTERPRISES), HE SAT ON BOARD OF NEUE HEIMAT, GERMANY'S LARGEST CONSTRUCTION FIRM, WHICH IS WHOLLY OWNED BY GERMAN LABOR FEDERATION (DGB). APPARENTLY THIS WAS CONFLICT OF INTEREST UNKNOWN TO SENAT. WE UNDERSTAND THAT LIEHR TOLD SPD CAUCUS HE WAS "OUTRAGED" THAT SCHUETZ HAD TOLD PARLIAMENT ON FEBRUARY 3 THAT SCHWAEBL WAS GUILTY OF NO WRONG-DOING AFTER SCHWAEBL'S LIES HAD COST LIEHR HIS JOB AND HAD PRECIPITATED CRISIS FOR BERLIN SPD.

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5. PRIOR TO SPD MEETING, CDU CAUCUS ANNOUNCED THAT AT FEBRUARY 10 SESSION OF HOUSE OF REPS, IT WOULD INTRODUCE URGENT MOTION OF CENSURE AGAINST SCHUETZ BECAUSE OF HIS COMMENTS AT FEB 3 DEBATE CRITICAL OF WORK OF INVESTIGATING COMMITTEE. IT HAS BEEN REPORTED THAT LIEHR TOLD SPD CAUCUS HE WILL ABSTAIN FROM VOTING ON CDU MOTION BECAUSE OF SCHUETZ' PRAISE OF SCHWAEBL. OTHER SPD CAUCUS MEMBERS (REPORTEDLY AS MANY AS SIX) INDICATED THEY WOULD DO LIKEWISE UNLESS THEY RECEIVED SATISFACTORY EXPLANATION OF SCHWAEBL'S ASSOCIATION WITH NEUE HEIMAT. IF SUFFICIENT SPD VOTES ARE WITHHELD FOR THIS OR OTHER UNDISCLOSED REASONS, CDU MOTION AGAINST SCHUETZ (WHICH IS NOT VOTE OF NO-CONFIDENCE AS SUCH) COULD PASS. FDP CAUCUS HAS ALREADY INDICATED IT WILL VOTE AGAINST CDU MEASURE, ALTHOUGH CAUCUS CHAIRMAN VETTER WILL MAKE STATEMENT WHICH IMPLICITLY WILL BE CRITICAL OF SCHUETZ.

6. MOST RECENT KMP DEVELOPMENT HAS AGAIN DEMONSTRATED

SCHUETZ' INCREASING ABILITY TO SNATCH DEFEAT FROM
JAWS OF VICTORY. EVEN IF CDU CENSURE MOTION FAILS,
SCHUETZ' REPUTATION WITHIN HIS OWN PARTY AND AMONG
BERLIN POPULACE WILL HAVE SUFFERED FURTHER.GEORGE

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Sent Date: 09-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: PGOV, PINT, WB, (SCHUETZ, KLAUS)
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